

Family Allowances and War Insurance

[By W. G. McAdoo, Secretary of the Treasury.]

One of the darkest pages in the history of the innumerable wars which have afflicted the earth for centuries is the recorded failure on the part of every nation to make any sort of adequate provision for those who have had to sacrifice and suffer most, namely, the soldiers who were sent to the front and their wives, children, and other dependents who were left at the rear. Until the European war broke out this question of fundamental justice and humanity to the fighting men and their dependents seems never to have received proper consideration.

There is no more paramount duty than for each nation which is sending its men to war to tell them in advance, as a part of the just consideration for the priceless service they are called upon to perform, what will be done for them in the way of actual compensations for the injuries and disabilities they incur, what will be done for the support of their wives, children, and other dependents while they are away from home, and what will be done for these same dependents if death overtakes them.

Some of the belligerents have provided for certain allowances to dependent families while the men are alive, for certain compensations to the dependents in case of death, and for certain indemnities and compensations in case the men are totally or partially disabled in the service. But these steps, advanced as they are, are not enough. It remains for the American people, the richest and most prosperous on earth, the most able to do justice to its fighting men and their dependents, and the most humane and progressive in their ideas and ideals, to set an example to the world of just, generous, and appreciative treatment of their heroes.

The war insurance bill now pending in the congress is the most advanced and humane step ever taken by any nation to protect and justly compensate its fighting men and their dependents. It ought to be passed and quickly passed. The selfish interests of no class of people or organized body should be permitted to stand one instant in the way of this elemental and essential act of justice and humanity.

Heretofore it has been the practice of nations at war to leave the wives, children, and other dependents of their soldiers unprovided for at home, at the mercy of charity, to become charges upon the communities in which they live, to endure all of the humiliations which proud people must experience when they realize that they are public charges, to say nothing of the unsatisfied wants which charity does not reach and the suffering inevitably resulting from such a distressing condition of affairs.

The nations of the world have failed to realize that when men are called to the colors their families and dependents are also called and are equally compelled to make terrible sacrifices. Until this fundamental fact is given into the consciousness of the people we can not deal intelligently, justly, or humanely with this burning problem of every war, this problem that reaches down into and tears the very heart-strings of humanity.

Once we grasp the fact that the commandeered soldier means also the commandeered family and dependents of the soldier, we have advanced to the point where we can consider the problem humanely and justly and apply the necessary remedy. We can not, of course, compensate for the destroyed life, the hopelessly mutilated and maimed body, the agony of the suffering wife and child, mother, and father, but we can ameliorate these sufferings; we can mitigate the horrors of war to the extent that we provide against want and needless suffering. The practice of most nations has been to fight wars to a conclusion regardless of the essential sacrifices of the fighting forces and the sufferings of their dependents, and then, after the war — perhaps many years after the war — to do tardy and partial justice by passing pension bills, with their accompaniments of favoritism and political expediency, inequalities and inequities, so that those who are favored with influence get the largest consideration and those who have none get little or nothing. The years of suffering,

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The accompanying statement, issued by Secretary McAdoo before the passage of the soldiers' and sailors' insurance bill, gives comprehensive reasons for the enactment of this new measure. The bill, which was presented to congress by Secretary McAdoo, passed that body by unanimous vote and was signed by President Wilson.

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before even these pension provisions are made, have gone and can never be compensated for and the losses incurred during that interval can never be restituted.

Under this old unfair and unjust method no man knows what is going to happen to him or his dependents. He is left to the uncertain chances of the future. We know from history that nations have been, as a rule, notoriously ungrateful in all these matters. We have only to read the pages of our Revolutionary history to have our cheeks burn with shame at the ingratitude of the Colonies to the gallant men in the continental armies who fought for and secured the liberties we enjoy today. But why dwell upon the injustices and inhumanities of the past? Let us turn our vision to the future and make reparation for all the delinquencies by doing now these humane and just things which will mitigate not alone the rigors and horrors of war, but will give our men, as they go forward to fight, a higher courage and renewed inspiration to sacrifice to the utmost, knowing, as they then will, that their government will not permit their loved ones to starve if they perish, nor them to become charges upon the communities in which they live if they return sightless, legless, armless, or otherwise totally or partially disabled for the remainder of their days.

Not only is it the very essence of intelligence and humanity to give our men and their dependents these grateful and soothing assurances, but it is economy of the highest order to make our fighting forces all the more effective through the splendid morale and spirit with which this knowledge will infuse them, and the moral and esprit with which this knowledge will inspire the civil population, through whose industry and patriotism the fighting forces in the field must be supported.

Therefore, we should let every man and his dependents know, as that man goes to the front, that the government is going to do the following things as a part of the compensation for the patriotic service he is going to render, and not as a gratuity or as charity or as a pension.

First. The government will make an adequate monthly payment to the dependents of the soldier so long as he is away from home and alive. The bill provides that each soldier must give to his wife and children at least \$15 per month out of his pay. The government will add another \$15 for a wife alone, with an increase for each child. For instance, a wife and two children would receive a total of \$47.50 per month. If the man has neither wife nor child, but has a parent, grandparent, brother, or sister actually dependent upon him for support, the government will make allowances to them, provided the man himself gives them at least \$15 a month out of his pay. In that case the government will allow \$10 a month for each parent and \$5 a month for each brother and sister. Even if a man has a wife and child and these other relatives are actually dependent upon him, the government will make an allowance to them if the man gives them at least \$5 a month out of his own pay. The highest amount the government will give over and above the amount the man gives out of his own pay is \$50 per month.

Second. If the soldier is killed in battle or dies as a result of wounds or disease incurred in the service, the government will pay a minimum of \$30 per month to the widow alone, with an additional allowance for each child, so that for a widow and four children the total payment per month would be \$60.

Third. If a man comes back partially or to-

tally disabled permanently, the government will pay him certain specific amounts ranging from \$40 to \$200 per month to compensate for such disabilities.

Fourth. The government will educate the disabled men for a new trade or occupation if his injuries are of such a character that he can not resume the trade or occupation in which he was engaged at the outbreak of the war. This will give each disabled man the hope of increased efficiency and earning power in addition to the compensation the government allows him, making him a more useful citizen and effective economic unit while he lives, and adding to the happiness of his remaining years.

Fifth. In addition to these benefits, the government will give to each of the officers and enlisted men of the army and navy the right to buy from the government \$1,000 to \$10,000 of life insurance at a rate based upon the American experience table of mortality in peace time, which rate, according to actuaries, will average about \$8 per annum for each \$1,000 of insurance. This means that insurance is brought within the reach of every private soldier in the ranks, and that he is given the opportunity of making additional provision for his loved ones by insuring his own life and thus supplementing, in case of his death, the compensation the government pays to his dependents. To illustrate: A private soldier receives in the foreign service \$33 per month, or \$396 per annum. Under the law he would contribute one-half of this amount, or \$198 per annum, to the support of his family. He could take out \$10,000 insurance, at a cost of \$80 per annum, to be payable to his family in annual installments covering a period of years. The soldier would have left \$118 per year, or almost \$10 per month—more than enough for his ordinary needs while he is on the battle front or in the training camps.

Why is this insurance not only just, but important? Because the amount the government will pay to the soldier's dependents in case of death, however generous it may be, may be wholly inadequate to sustain the soldier's family in the position in life to which they are accustomed, or to give them the advantages they ought to have.

Take the case of a man killed in battle, leaving a wife and four children: The government will pay his widow \$60 monthly, or a total of \$720 per annum. This may be wholly insufficient. If a soldier can take out \$10,000 of insurance, at a premium of \$80 per annum, the government will pay to his wife an additional \$500 per annum for a period of 20 years, thus bringing the total annual payments to the wife and four children up to \$1,220 per annum. Even this is a modest income, but it might be sufficient to enable the wife to support herself and children and give them the advantages of education.

Why must the government provide this insurance? Because when the government drafts the soldier and puts him into this extraordinarily hazardous war service, private life insurance companies will not write insurance on his life, or, if they will, the rates are prohibitive. The lowest rate I have heard suggested for such private insurance is \$58 per thousand for one year, renewable term. The next year the rate might be greatly increased. Where the soldier is receiving only \$396 per annum pay, he is unable to take much, if any insurance at the rate of \$58 per thousand. The government, therefore, has deprived the soldier of the opportunity to insure himself. It has destroyed the soldier's insurability. The least the government can do is to make restitution to the extent of providing insurance upon the peace time basis, and taking up or absorbing the cost of the excessive risk to which it has subjected the soldier. It is, moreover the just and humane thing to do. The government must go to the limit to put the soldier in as favorable a position as possible to protect his loved ones when he, without any fault of his own, is taken by the government and subjected to the extraordinary hazards of war, where his very life may be taken for the benefit of his country.

Not alone should the government give the soldier life insurance at these peace rates because it has destroyed his insurability, but also because the government has destroyed a large part of the soldier's earning power when it drafts him into the service. Many men have been drafted or enrolled in the army and navy who are earning salaries of from \$1,200 to \$5,000 per annum. The moment the government puts